

Message Text

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ORIGIN SS-25

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4/12/73 EXT 21315

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R 170130 Z APR 73

FM SECSTATE WASHDC

TO AMEMBASSY SAIGON

INFO USDEL JEC PARIS

S E C R E T STATE 071120

EXDIS

E. O. 11652: GDS

TAGS: EAID, VS

SUBJECT: ADDITIONAL ECONOMIC ASSISTANCE FOR VIET- NAM

1. FOLLOWING ECONOMIC DISCUSSIONS HELD DURING PRES. THIEU' S VISIT TO THE U. S., THE DECISION HAS BEEN MADE TO PROVIDE SUFFICIENT ASSISTANCE TO THE RVN IN 1973 TO PERMIT THE LEVEL OF IMPORTS NECESSARY FOR RAPID RECOVERY OF THE ECONOMY, THE INITIATION OF MAJOR RECONSTRUCTION AND REFUGEE RESETTLEMENT EFFORTS, AND AN ACCELERATION OF ECONOMIC DEVELOPMENT TO BEGIN MOVING VIET- NAM TOWARD ECONOMIC SELF-SUFFICIENCY. CONGRESSIONAL AUTHORIZATION OF ADEQUATE FUNDS TO ASSURE THE CONTINUATION OF ESSENTIAL RELIEF, STABILIZATION AND REHABILITATION PROGRAMS NEXT YEAR WILL BE SOUGHT.

2. APPROVAL HAS BEEN GIVEN FOR THE FOLLOWING STEPS TO BE TAKEN TO INCREASE CY 73 SUPPORT:

A. INCREASE PL 480 SHIPMENTS TO AT LEAST DOLS 170 MILLION IN 1973.

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B. A DEVELOPMENT LOAN OF AT LEAST DOLS 40 MILLION SHOULD BE MADE FROM FY 73 FUNDS.

C. INCREASE DOD PIASTER PURCHASES FOR LOCAL PROCUREMENT, OPERATING AND MAINTENANCE ACTIVITIES, MILITARY CONSTRUCTION, AID/ DOD REALIGNMENT, RD CADRE AND OTHER OFFICIAL

PROGRAMS IN ORDER TO INCREASE DOD PIASTER PURCHASES BY DOLS 40 MILLION FOR THIS CALENDAR YEAR TO A TOTAL OF AT LEAST DOLS 136 MILLION. ACCOMMODATION AND CIVIL PIASTER PURCHASES ARE ADDITIONAL.

D. AID WILL REPROGRAM DOLS 5 MILLION OF FY 73 TECHNICAL ASSISTANCE TO SUPPORTING ASSISTANCE AND THE VIET- NAM PROJECT PROGRAM WILL BE REDUCED TO PROVIDE DOLS 3 MILLION IN ADDITIONAL IMPORT FINANCING.

E. THE U. S. WILL ACTIVELY AND STRONGLY SUPPORT GVN EFFORTS TO ATTRACT OTHER DONORS INCLUDING FINANCIAL INSTITUTIONS FOR RECONSTRUCTION, DEVELOPMENT AND STABILIZATION FINANCING. GRANT OR CONCESSIONAL TERMS TO THE MAXIMUM EXTENT POSSIBLE ARE TO BE SOUGHT.

F. THE GVN IS TO BE URGED TO CONTINUE TAKING ALL FEASIBLE STEPS TO ENCOURAGE AN INFLOW OF PRIVATE FOREIGN INVESTMENT. U. S. AGENCIES SUCH AS THE EX- IM BANK AND OPIC WILL BE ENCOURAGED TO FACILITATE U. S. PRIVATE INVESTMENT TO FUND DEVELOPMENT.

3. YOU MAY INFORM GVN AT A SENIOR LEVEL AND IN CONFIDENCE OF THE DECISION OUTLINED ABOVE. (WE WANT TO HAVE COMPLETED CONSULTATIONS WITH APPROPRIATE CONGRESSIONAL COMMITTEES BEFORE THE DECISION ABOUT THE DEVELOPMENT LOAN BECOMES PUBLIC KNOWLEDGE. SEPARATE MESSAGES WILL FOLLOW REGARDING IMPLEMENTATION OF VARIOUS PROGRAM PARTS. ROGERS

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*** Current Handling Restrictions *** EXDIS

*** Current Classification *** SECRET

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